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Legal Representatives for Complainant

**BEFORE THE  
PHYSICAL THERAPY BOARD OF CALIFORNIA  
DEPARTMENT OF CONSUMER AFFAIRS  
STATE OF CALIFORNIA**

In the Matter of the Accusation Against:

MICHAEL RICHARD SCHULTZ  
1362 Washington Blvd.  
Concord CA 94521

Physical Therapist Assistant License No.  
AT 6030

Respondent.

Case No. 1D 2003 63334

OAH No. N2004080459

**STIPULATED SETTLEMENT AND  
DISCIPLINARY ORDER**

IT IS HEREBY STIPULATED AND AGREED by and between the parties to the  
above-entitled proceedings that the following matters are true:

**PARTIES**

1. Steven K. Hartzell (Complainant) is the Executive Officer of the Physical  
Therapy Board of California. He brought this action solely in his official capacity and is  
represented in this matter by Bill Lockyer, Attorney General of the State of California, by  
Catherine E. Santillan, Senior Legal Analyst.

2. Respondent Michael Richard Schultz (Respondent) is represented by  
James V. McGrail, 1919 Third Street, Livermore, California 94550.

3. On or about February 20, 2001, the Physical Therapy Board of California  
issued Physical Therapist Assistant License No. AT 6030 to Michael Richard Schultz

1 (Respondent). The License was in full force and effect at all times relevant to the charges  
2 brought in Accusation No. 1D 2003 63334 and will expire on March 31, 2006, unless renewed.

3 JURISDICTION

4 4. Accusation No. 1D 2003 63334 was filed before the Physical Therapy  
5 Board of California (Board) , Department of Consumer Affairs, and is currently pending against  
6 Respondent. The Accusation and all other statutorily required documents were properly served  
7 on Respondent on July 19, 2004. Respondent timely filed his Notice of Defense contesting the  
8 Accusation. A copy of Accusation No. 1D 2003 63334 is attached as Exhibit A and incorporated  
9 herein by reference.

10 ADVISEMENT AND WAIVERS

11 5. Respondent has carefully read, fully discussed with counsel, and  
12 understands the charges and allegations in Accusation No. 1D 2003 63334. Respondent has also  
13 carefully read, fully discussed with counsel, and understands the effects of this Stipulated  
14 Settlement and Disciplinary Order.

15 6. Respondent is fully aware of his legal rights in this matter, including the  
16 right to a hearing on the charges and allegations in the Accusation; the right to be represented by  
17 counsel at his own expense; the right to confront and cross-examine the witnesses against him;  
18 the right to present evidence and to testify on his own behalf; the right to the issuance of  
19 subpoenas to compel the attendance of witnesses and the production of documents; the right to  
20 reconsideration and court review of an adverse decision; and all other rights accorded by the  
21 California Administrative Procedure Act and other applicable laws.

22 7. Respondent voluntarily, knowingly, and intelligently waives and gives up  
23 each and every right set forth above.

24 CULPABILITY

25 8. Respondent admits the truth of each and every charge and allegation in  
26 Accusation No. 1D 2003 63334.

27 9. Respondent agrees that his Physical Therapist Assistant License is subject  
28 to discipline and he agrees to be bound by the Physical Therapy Board of California 's imposition

1 of discipline as set forth in the Disciplinary Order below.

2 CONTINGENCY

3 10. This stipulation shall be subject to approval by the Physical Therapy Board  
4 of California. Respondent understands and agrees that counsel for Complainant and the staff of  
5 the Physical Therapy Board of California may communicate directly with the Board  
6 regarding

7 this stipulation and settlement, without notice to or participation by Respondent. By signing the  
8 stipulation, Respondent understands and agrees that he may not withdraw his agreement or seek  
9 to rescind the stipulation prior to the time the Board considers and acts upon it. If the Board fails  
10 to adopt this stipulation as its Decision and Order, the Stipulated Settlement and Disciplinary  
11 Order shall be of no force or effect, except for this paragraph, it shall be inadmissible in any legal  
12 action between the parties, and the Board shall not be disqualified from further action by having  
13 considered this matter.

14 11. The parties understand and agree that facsimile copies of this Stipulated  
15 Settlement and Disciplinary Order, including facsimile signatures thereto, shall have the same  
16 force and effect as the originals.

17 12. In consideration of the foregoing admissions and stipulations, the parties  
18 agree that the Board may, without further notice or formal proceeding, issue and enter the  
19 following Disciplinary Order:

20 DISCIPLINARY ORDER

21 IT IS HEREBY ORDERED that Physical Therapist Assistant License No. AT  
22 6030 issued to Respondent Michael Richard Schultz is revoked. However, the revocation is  
23 stayed and Respondent is placed on probation for five (5) years on the following terms and  
24 conditions:

25 1. RESTRICTION OF PRACTICE - HOME CARE The respondent shall  
26 not provide physical therapist assistant services in a patient's home.

27 2. RESTRICTION OF PRACTICE - TEMPORARY SERVICES  
28 AGENCIES The respondent shall not work for a temporary services agency or registry.

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2 3. RESTRICTION OF PRACTICE - PRESENCE OF PHYSICAL  
3 THERAPIST REQUIRED The respondent shall notify the Board of the primary location where  
4 he provides physical therapist assistant services at the time that this order becomes effective.  
5 The presence of a physical therapist is not required at respondent's primary location, however,  
6 the on site presence of a physical therapist is required whenever the respondent provides physical  
7 therapy assistant services at any other location. In the event respondent's primary place of  
8 employment changes, a physical therapist is required to be on site and respondent must notify the  
9 Board of the change within ten days.

10 4. RESTRICTION OF PRACTICE - PROHIBITION OF SELF  
11 EMPLOYMENT, OWNERSHIP OR SUPERVISION OF PHYSICAL THERAPISTS  
12 Respondent shall not be the sole proprietor or partner in the ownership of any business that offers  
13 physical therapy services. Respondent shall not be a Board member or an officer or have a  
14 majority interest in any corporation that offers or provides physical therapy services. Respondent  
15 shall not have any leadership or supervisory role in any physical therapy practice.

16 5. PROBATION MONITORING COSTS All costs incurred by the Board  
17 for probation monitoring during the entire period of probation shall be reimbursed by respondent.  
18 Respondent will be billed at least quarterly. Failure to make the ordered reimbursement within  
19 60 days of the billing shall constitute a violation of the probation order. In addition to the filing  
20 of an Accusation or the issuance of an administrative citation, the filing of criminal charges shall  
21 be sought when appropriate.

22 6. COST RECOVERY The respondent is ordered to reimburse the Board  
23 the actual and reasonable prosecutorial costs in the amount of \$1,820.00. Said costs shall be  
24 reduced, however, and the remainder forgiven, if respondent pays \$1,000.00 within sixty (60)  
25 days of the effective date of this decision. In the event respondent fails to pay within sixty (60)  
26 days of the effective date of the decision, the full amount of costs shall be immediately due and  
27 payable. Failure to pay the ordered reimbursement may constitute a violation of the probation  
28 order. The filing of bankruptcy by respondent shall not relieve the respondent of his

responsibility to reimburse the Board. If the respondent is in default of his responsibility to reimburse the Board, the Board will collect cost recovery from the Franchise Tax Board, the Internal Revenue Service or by any other means of attachment of wages earned legally available to the Board . Failure to fulfill the obligation could also result in attachment to Department of Motor Vehicle registrations and/or license renewals.

7. OBEY ALL LAWS Respondent shall obey all federal, state and local laws, and statutes and regulations governing the practice of physical therapy in California.

8. COMPLIANCE WITH ORDERS OF A COURT The respondent shall be in compliance with any valid order of a court. Being found in contempt of any court may constitute a violation of probation.

9. COMPLIANCE WITH CRIMINAL PROBATION AND PAYMENT OF RESTITUTION Respondent must not violate any terms and conditions of criminal probation and must be in compliance with any restitution ordered.

10. QUARTERLY REPORTS Respondent shall submit quarterly declarations under penalty of perjury on forms provided by the Board, stating whether there has been compliance with all the conditions of probation.

11. PROBATION MONITORING PROGRAM COMPLIANCE Respondent shall comply with the Board's probation monitoring program.

12. WRITTEN EXAM Within 90 days of the effective date of this decision, Respondent shall take and pass the Board's written examination on the laws and regulations governing the practice of physical therapy in California. If respondent fails to pass the examination, he shall be suspended from practice until a repeat examination has been successfully passed.

13. INTERVIEW WITH THE BOARD OR ITS DESIGNEE Respondent shall appear in person for interviews with the Board, or its designee, upon request at various intervals and with reasonable notice.

14. NOTIFICATION OF PROBATIONAL STATUS TO EMPLOYERS The respondent shall notify all present or future employers of the reason for and the terms and

1 conditions of the probation by providing a copy of the Accusation and the decision and order  
2 (stipulated settlement) to the employer. The respondent shall obtain written confirmation from  
3 the employer that the documents were received. If the respondent changes employment or  
4 obtains additional employment, the respondent shall provide the above notification to the  
5 employer and submit written employer confirmation to the Board within 10 days. The  
6 notification(s) shall include the name, address and phone number of the employer, and, if  
7 different, the name, address and phone number of the work location.

8           15.     NOTIFICATION OF CHANGE OF NAME OR ADDRESS The  
9 respondent shall notify the Board, in writing, of any and all changes of name or address within  
10 ten (10) days.

11           16.     PROHIBITED USE OF ALIASES Respondent may not use aliases and  
12 shall be prohibited from using any name which is not his legally-recognized name or based upon  
13 a legal change of name.

14           17.     WORK OF LESS THAN 20 HOURS PER WEEK If the respondent  
15 works less than 192 hours in a period of three months, those months shall not be counted toward  
16 satisfaction of the probationary period. The respondent shall notify the Board if him works less  
17 than 192 hours in a three month period.

18           18.     TOLLING OF PROBATION The period of probation shall run only  
19 during the time respondent is practicing within the jurisdiction of California. If, during  
20 probation, respondent does not practice within the jurisdiction of California, respondent is  
21 required to immediately notify the probation monitor in writing of the date that respondent's  
22 practice is out of state, and the date of return, if any. Practice by the respondent in California  
23 prior to notification to the Board of the respondent's return will not be credited toward  
24 completion of probation. Any order for payment of cost recovery shall remain in effect whether  
25 or not probation is tolled.

26           19.     VIOLATION OF PROBATION If respondent violates probation in any  
27 respect, the Board, after giving respondent notice and the opportunity to be heard, may revoke  
28 probation and carry out the disciplinary order that was stayed. If an accusation or petition to

revoke probation is filed against respondent during probation, the Board shall have continuing jurisdiction until the matter is final, and the period of probation shall be extended until the matter is final.

20. CESSATION OF PRACTICE DUE TO RETIREMENT, HEALTH OR OTHER REASONS Following the effective date of this probation, if respondent ceases practicing physical therapy due to retirement, health or other reasons, respondent may request to surrender his license to the Board. The Board reserves the right to evaluate the respondent's request and to exercise its discretion whether to grant the request or to take any other action deemed appropriate and reasonable under the circumstances. Upon formal acceptance of the tendered license, the terms and conditions of probation shall be tolled until such time as the license is no longer renewable, the respondent makes application for the renewal of the tendered license or makes application for a new license.

21. COMPLETION OF PROBATION Upon successful completion of probation, respondent's license or approval shall be fully restored.

22. PRACTICE OR PERFORMANCE OF PHYSICAL THERAPY WHILE ON PROBATION It is not contrary to the public interest for the respondent to practice/perform physical therapy assistant work under the probationary conditions specified in the disciplinary order.

## ACCEPTANCE

I have carefully read the Stipulated Settlement and Disciplinary Order and fully discussed it with my attorney, James McGrail. I understand the stipulation and the effect it will have on my Physical Therapist Assistant License. I enter into this Stipulated Settlement and Disciplinary Order voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the Physical Therapy Board of California.

DATED: October 7, 2004 .

Original Signed By : \_\_\_\_\_

MICHAEL RICHARD SCHULTZ  
Respondent

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I have read and fully discussed with Respondent Michael Richard Schultz the terms and conditions and other matters contained in the above Stipulated Settlement and Disciplinary Order. I approve its form and content.

DATED: October 7, 2004.

Original Signed By : \_\_\_\_\_  
JAMES V. McGrail  
Attorney for Respondent

ENDORSEMENT

The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully submitted for consideration by the Physical Therapy Board of California of the Department of Consumer Affairs.

DATED: October 12, 2004.

BILL LOCKYER, Attorney General  
of the State of California

Original Signed By : \_\_\_\_\_  
CATHERINE SANTILLAN  
Senior Legal Analyst

Legal Representatives for Complainant

DOJ Matter ID: SF2004400628  
Schultz, M Stipulated Revocation.wpd



**Exhibit A**

**Accusation No. 1D 2003 63334**

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6030

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OAH No. N2004080459

**DECISION AND ORDER**

The attached Stipulated Settlement and Disciplinary Order is hereby adopted by the Physical Therapy Board of California, Department of Consumer Affairs, as its Decision in this matter.

This Decision shall become effective on December 16, 2004.

It is so ORDERED November 16, 2004.

Original Signed By: Donald A. Chu, PhD, PT, President  
FOR THE PHYSICAL THERAPY BOARD OF CALIFORNIA  
DEPARTMENT OF CONSUMER AFFAIRS